

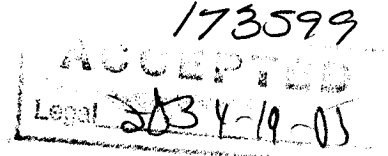
C. DUKES SCOTT  
EXECUTIVE DIRECTOR

P.O. Box 11263  
Columbia, S.C. 29211



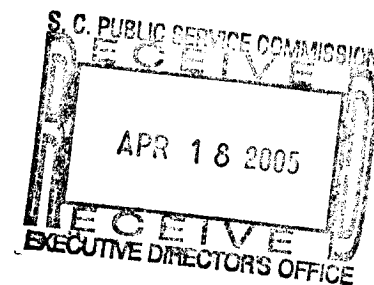
Phone: (803) 737-0800  
Fax: (803) 737-0801

DAN F. ARNETT  
CHIEF OF STAFF



April 14, 2005

Mr. Charles L.A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210



Re: Application of Lake Wylie Community Utilities, Inc. for Adjustment of  
Rates and Charges for Water and Sewer Services  
Docket No. 2004-353-W/S

Dear Mr. Terreni:

Please find enclosed for filing twenty six (26) copies of two reprinted exhibits regarding the above captioned matter. On April 13, 2005, the Office of Regulatory Staff filed the direct testimony of Roy H. Barnette in this proceeding. After filing, our staff identified two exhibits included with that testimony that were not entirely legible, apparently due to a printer or copier malfunction. I have reprinted these exhibits, Audit Exhibit A (page 5) and Audit Exhibit A-2 (page 14), with no modifications as to the content and would ask the Commission to substitute them for those exhibits previously submitted.

✓ CM Please date stamp the extra copies enclosed and return it to me in the envelope provided. Also, we have served the same on all parties of record and enclose a Certificate of Service to that effect.

I apologize for any inconvenience this may have caused. Please let me know if you have any questions or if there are any additional problems.

Sincerely,

Benjamin P. Mustian

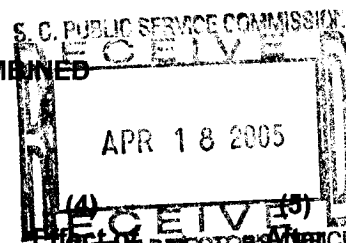
BPM/cc

Enclosures

cc: John J. Pringle, Esquire  
Mr. Wallace G. Martin

## AUDIT EXHIBIT A

**LAKE WYLIE COMMUNITY UTILITIES, INC.**  
**OPERATING EXPERIENCE AND OPERATING MARGIN - COMBINED**  
**FOR THE TEST YEAR ENDED DECEMBER 31, 2003**



Description	(1) Per Books	(2) Accounting & Pro Forma Adjustments	(3) As Adjusted	(4) Proposed Increase	(5) Proposed Increase
	\$	\$	\$	\$	\$
<b><u>Operating Revenues</u></b>					
Water Charges	34,120	(A)	34,120	79,280 (G)	113,400
DHEC Income - Water	4,274	(4,274) (A)	0	0	0
Sewer Charges	34,120	(A)	34,120	79,280 (G)	113,400
<b><u>Total Operating Revenues</u></b>	<b>72,514</b>	<b>(4,274)</b>	<b>68,240</b>	<b>158,560</b>	<b>226,800</b>
<b><u>Operating &amp; Maintenance Expenses</u></b>	<b>60,062</b>	<b>(2,447) (B)</b>	<b>57,615</b>		<b>57,615</b>
General & Administrative Expenses	76,830	(2,876) (C)	73,954		73,954
Depreciation & Amortization Expense	(1) 14,719	(6,346) (D)	8,373		8,373
Taxes Other Than Income	(2) 99	3,020 (E)	3,119	1,226 (H)	4,345
Income Taxes	(3)	(F)	0	19,028 (I)	19,028
<b><u>Total Operating Expenses</u></b>	<b>151,710</b>	<b>(8,649)</b>	<b>143,061</b>	<b>20,254</b>	<b>163,315</b>
<b><u>Net Operating Income (Loss)</u></b>	<b>(79,196)</b>	<b>4,375</b>	<b>(74,821)</b>	<b>138,306</b>	<b>63,485</b>
<b><u>Total Income (Loss) For Return</u></b>	<b>(79,196)</b>	<b>4,375</b>	<b>(74,821)</b>	<b>138,306</b>	<b>63,485</b>
<b><u>Operating Margin</u></b>	<b>-109.21%</b>		<b>-109.64%</b>		<b>27.99%</b>
<b><u>Interest Expense for Operating Margin</u></b>	<b>0</b>		<b>0</b>		<b>0</b>

## Notes:

- (1) The computation of Depreciation Expense Adjustment is shown on Audit Exhibit A-2.  
 (2) For purposes of presentation, this amount includes a rounding difference of less than \$1.  
 (3) Computation of Income Taxes is shown on Audit Exhibit A-3.

**LAKE WYLIE COMMUNITY UTILITIES, INC.**  
**DEPRECIATION EXPENSE ADJUSTMENT**  
**FOR THE TEST YEAR ENDED DECEMBER 31, 2003**

**VEHICLES**

Date Acquired	Description	Amount	(A) Allocation of Equipment	Allocated Amount	Service Life	Depr. Rate	Depr. Expense	Accum. Depreciation
		\$	%	\$	years	%	\$	\$
Jun-94	Dump Truck	2,000	50%	1,000	FD	FD	-	1,000
Jun-01	Ford Pickup	30,804	50%	15,402	6	16.67%	2,568	7,702
Jul-03	Dodge Ram	28,221	50%	14,111	6	16.67%	2,352	2,352
Jul-03	Ford Pickup (Trade-in)	(30,804)	50%	(15,402)	Traded	Traded	(2,568)	(7,702)
	Totals	<u>30,221</u>		<u>15,111</u>			<u>2,352</u>	<u>3,352</u>
				Less allocated to Sewer			(1,176)	(1)
				Less allocated to Water			(1,176)	(2)
							<u>0</u>	

**SEWER**

Date Acquired	Description	Amount	Allocation of Equipment	Allocated Amount	Service Life	Depr. Rate	Depr. Expense	Accum. Depreciation
		\$	%	\$	years	%	\$	\$
Jan-84	Mains & Collecting System Equipment	84,586	100%	84,586	27	3.70%	3,130	62,600
Jul-96	Mains	1,800	100%	1,800	40	2.50%	45	360
Jul-00	Electric Snake	1,031	100%	1,031	10	10.00%	103	412
	Vehicle Allocation - From Above						1,176	(1)
	Totals	<u>87,417</u>		<u>87,417</u>			<u>4,454</u>	<u>63,372</u>
				Less: Per Book Depreciation Expense			(7,408)	
				Depreciation Expense Adjustment			<u>(2,954)</u>	

**WATER**

Date Acquired	Description	Amount	Allocation of Equipment	Allocated Amount	Service Life	Depr. Rate	Depr. Expense	Accum. Depreciation
		\$	%	\$	years	%	\$	\$
Jan-84	Mains & Well	43,822	100%	43,822	27	3.70%	1,621	32,420
Dec-92	Mains	40,870	100%	40,870	38	2.63%	1,075	12,900
Jul-96	Mains	1,800	100%	1,800	38	2.63%	47	376
	Vehicle Allocation - From Above						1,176	(2)
	Totals	<u>86,492</u>		<u>86,492</u>			<u>3,919</u>	<u>45,696</u>
				Less: Per Book Depreciation Expense			(7,311)	
				Depreciation Expense Adjustment			<u>(3,392)</u>	
	Total Plant and Equipment In Service	<u>204,130</u>		<u>189,020</u>			<u>8,373</u>	<u>112,420</u>

FD = Fully Depreciated

(A) = 50% is allocated to LWMHC and 50% is allocated to LWCU